Annual Report and Consolidated Financial Statements

For the year ended 31 December 2023

Tato Holdings Limited

Registered No. 03258156

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COMPANY INFORMATION

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their strategic report for Tato Holdings Limited and its subsidiaries (collectively the "Group") for the year ended 31 December 2023.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

The chemicals sector, in particular the European chemicals sector, has witnessed a decline in volumes during 2023, and Tato has not been immune to this. During COVID, many of the sectors which the Group services experienced strong increases in volumes and our customer-base built inventories in order to be able meet unprecedented levels of short-term demand. In 2023, demand for our customers' products fell considerably driven by low consumer confidence caused by the cost-of-living crisis, high interest rates and rising inflation. This demand crunch was further compounded by a need to reduce inventories across our customers' supply chain to conserve cash. The impact of this lower demand and de-stocking was a reduction in the Group's volumes of 4.3% year on year. However, similar to our customers, Management reacted to the volume downturn early and took a decision to reduce inventories in order to protect cash. Production volumes were down 8.9% year on year as a consequence.

Due to the macro-economic climate and the crisis in consumer confidence during 2023, the Group's revenue was down year on year for the first time following 13 years of consecutive growth. Turnover declined in the year by 6.8%, on a constant exchange basis the reduction in sales was 5.2%. Volume was the primary reason for this reduction, but price pressures during the second half of the year also contributed to the decline in turnover.

Uncertainty and a rapidly changing socio-political and macro-economic background have become commonplace in our trading environment and that of most industries. At Tato we recognise this, and our business processes and management systems have evolved to be able to adapt. Our strength lies in our people and the freedom they are given to do what they believe to be right for our customers and for the business in general. Our Executive Board provides strong leadership and direction, and our local business unit leaders provide effective and flexible management allowing our workforce to be able to adapt rapidly to the ever changing customer demands and supply chain uncertainties.

The ongoing conflict in Gaza and the extent to which other countries across the Middle East are being drawn in is a cause of concern for the Group. Whilst the Group does not have any employees in the affected countries, we do have customers. Since the conflict started the Group continues to make sales in the region and has implemented additional controls to monitor the ageing of receivables in affected and neighbouring countries. To date, the Group does not have any concerns with regards to the recoverability of these debtors.

During 2023 raw material prices reached their peak and as demand dropped, so did raw material prices. At the beginning of 2023, the Group was carrying high levels of inventory and in particular, high levels of strategic raw materials which had been purchased at the height of the market. It took some months for these expensive raw materials to work their way through inventories and during this time, with demand reducing across most markets, sales prices were starting to fall. This combination of falling market prices and high value inventories resulted in a margin impact for the Group in the first half year of 2023. During this time the Group continued to service its customers and absorbed the margin impact until the high value inventories worked their way through.

By the second half of 2023, raw material prices had started to decline and the Group no longer carried expensive inventory and so there was a recovery in Gross Margin percentage. The second half year was then characterised by falling demand and pressure on selling prices as the market competed to secure business against a backdrop of lower volumes.

During the year, the Group secured some significant new business and was able to maintain its volume share across most key customers, mitigating some of the decline in market volumes.

The Executive Board continues to develop and improve business processes as the business continues to grow its Group functions. Having appointed a Group CFO in 2022, the Group appointed new Heads of Digital, Audit & Risk and Financial Planning & Analysis during 2023. During 2023 the Group re-vamped its budgeting process and introduced a mid-year forecast monitoring process.

During this process, the Group identified the likely impact on EBITDA of lower market demand and communicated measures to protect profitability and conserve cash. Amongst these measures were delays to non-essential capital expenditure, a drive to reduce inventories and controls around discretionary spend. The measures were very successful in conserving cash and delivered a cash conversion ratio of 138%.

Despite the controls around cash, the business continued to invest in strategic, health & safety and environmental projects during 2023. These investments will deliver capacity growth and improve our ESG credentials across all our regions in 2024 and beyond.

The Group continues to have a strong business model based around innovation, quality and high levels of customer and technical service and it is this core that has seen us through another challenging year and continues our journey of long-term sustainable growth. Continuing this journey is a testament to the hard work and commitment of every single employee and I would again like to thank everyone for their dedication, resilience, and ongoing passion to keep delivering for our customers.

Key performance indicators

The directors consider the significant financial key performance indicators for the Group to be as follows:

		2023	**2022**
Activity indicators:	Organic Growth - Turnover	-7%	+14%
	Organic Growth – Volumes	-4%	-7%
Margin indicators:	Gross Margin	29.4%	32.9%
	EBITDA indicators	16.4%	20.4%
Working Capital indicators:	Average stock days	145	210
	Average debtors days	60	57

Development and financial performance during the year

The Group turnover decreased by 6.8% in the year to €642,380,000 (*2022: €688,906,000*). This reduction in sales was primarily volume driven. Price was, to a less extent, a factor in the sales reduction, offset by an improved mix as our customers continue to move towards higher value, more regulated product solutions across the market.

Volumes were lower than prior year across all our regions and all our strategic business units. The impact of the cost-of-living crisis and customer de-stocking has been felt right across the Group, particularly during the second half of the year.

Sales prices remained relatively stable during the first half year, despite signs that raw material prices were beginning to soften. During the second half year, however, with raw material availability high and prices considerably lower than at the start of the year, the pressure on selling prices in the market, combined with the need to maximise capacity utilisations, resulted in a marginal decrease in average selling prices.

Turnover suffered from currency translation losses in the year upon consolidation, mainly due to the weakening of the Chinese Yuan, South African Rand and US Dollar against the Euro, somewhat mitigated by the strengthening of the Mexican Peso. The combined effect of using 2023 exchange rates compared to 2022 rates was to reduce turnover by €10,980,000 or 1.7%.

Gross Margin percentage in the year was 29.4% (*2022: 32.9%*), and the absolute level of Gross Profit was down by 16.6%, driven by lower volumes. The Group started 2023 with high inventories, across a number of strategic raw materials, in keeping with its policy of buying long in times of raw material scarcity or supply chain uncertainty, so as to protect our customers. Gross Margins were significantly adversely impacted during the first five months of the year as the higher value inventories were sold through. The Group chose to absorb most of the impact of these higher value raw materials, rather than passing them on to customers.

During the latter part of the second quarter of 2023, selling prices started to reduce, but this coincided with the cycling of our raw material inventories and cost of goods sold reduced to be in line with the rest of the market. Gross Margin percentages therefore increased significantly during the second half of the year, despite lower volumes and lower sales prices.

During 2023 the Group adopted a carefully managed inventory reduction policy in order to release cash from the balance sheet, whilst always ensuring that customer demand could be satisfied. This proved very successful, and our inventories were reduced in a way that allowed us to keep ahead of the downturn in customer demand. The decision to reduce inventories to release cash from the business compounded the impact of the drop in market volumes on our operations and resulted in a drop in production volumes of 8.9% vs prior year.

The improved resilience and reliability of global supply chains during 2023 and the increased availability of raw materials, coming from lower demand, made this inventory reduction policy possible and ensured we were still able to service our customers.

Sales and distribution costs reduced by 4.6% from 2022, driven by lower volumes and a focus on discretionary spend such as sales exhibitions and travel. This reduction was delivered despite wage inflation pressures being felt across the business.

Administrative expenses increased by 4.6% in the year, and this was principally due to inflationary pressures, particularly wage inflation, offset by a recruitment and travel freeze and savings in discretionary spend items.

Similar to turnover, the movements in the exchange rates during the year for the currencies used in consolidation reduced sales and distribution costs by €582,000 and administration expenses by €140,000 over what they would have been if the rates had remained the same as 2022.

The combined effect of the above means that EBITDA for the year was 16.4% (*2022:* 20.4*%*) and the group profit before tax decreased to €88,220,000 (*2022: €*123,452,000).

For 2023 the underlying tax rate was 26.5% (*2022:* 24.8*%*). This increase is due to €667,000 more withholding tax suffered on dividends and the geographical split of profit for the year.

The profit for the year after taxation was €64,858,000 (*2022: €*92,835,000). A dividend of €2 per share was paid in April 2023 and one of €3 per share in October 2023 (*2022: €3 per share in March 2022 and December 2022)* giving a total of €51,900,000 for the year *(2022: €*62,280,000*)*. The Group experienced currency translation gains of €6,454,000 (*2022: €*4,694,000) on the consolidation of its non-Euro denominated subsidiary companies because of the exchange rate movements against the Euro between the beginning and the end of the year. The balance of retained profit totalling €17,187,000 (*2022: €*34,021,000) was transferred to reserves.

Working capital measures are focussed mainly on inventories and debtors where measurement is based on average stock and debtor days and monitored on an entity-by-entity level.

Financial position at the reporting date
The consolidated balance sheet shows that the Group's net assets at the year-end have increased from €630,430,000 to €647,617,000. The Group's stockholding decreased by 29% to €157,011,000 (*2022:*

€219,897,000) as a result of lower inventory levels and a lower inventory cost per kilogramme from the lower raw material prices in the market.

This business generated €67,313,000 cash in 2023 resulting in a balance of €156,933,000 (*2022: €89,620,000*) and a cash conversion ratio of 138%. The measures which the Group put in place to reduce inventories and delay non-essential capital spend to the following year, generated a very strong cash performance, despite challenging trading conditions. From existing cash resources, the Group invested €21,901,000 (*2022*: €29,525,000) in fixed assets to expand capacity to meet future demand and improve processes. The Group also paid dividends of €51,900,000 (*2022:* €62,280,000) to its shareholders, down 17% on previous year.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

Management continually monitors the key risks facing the Group together with assessing the controls used for managing these risks. During 2023, Management completed the recruitment of a new Group Head of Audit & Risk to bring more focus to the risk agenda and also approved a new Enterprise Risk Management process which the new Group Head of Audit & Risk will implement in 2024.

The principal risks and uncertainties facing the Group are as follows:

- Global economic conditions – macro-economic uncertainty and geo-political instability continues to represent a key risk to the sales and profitability of the Group. The Group acknowledges the importance of maintaining close relationships with its customers and suppliers, continually innovating and delivering / demanding best in class quality and service. The prospects for the Group as a whole remain positive because of this, as it seeks to improve efficiencies without compromising the high levels of service to customers.

- Regulatory controls – many of the products manufactured by the Group are covered by strict regulatory and registration regimes, such as UK BPR, European REACH, EPA in the US and COFEPRIS in Mexico. The costs and capital expenditures relating to regulatory and registration matters are subject to evolving requirements and changes in regulations could require extra work or capital expenditure. Consequently, regulatory matters could result in un-anticipated costs or liabilities. The Group works to ensure that it complies with all applicable environmental, regulatory, employment and health and safety legislation and communicates any relevant matters to appropriate staff to ensure risk is minimised.

- Competitor pressure – the Group sells its range of products in a competitive, global environment, and competes worldwide for sales on the basis of product quality, price, technology and customer service. Increased levels of competition could result in lower prices or sales volume, which could have a negative impact on the Group's results. The Group manages this risk by innovating and providing quality products that meet the customer's needs and by providing excellent levels of technical service.

- Chemical safety – concerns regarding the safe use of chemicals in commerce and their potential impact on health and the environment reflect a growing trend in demands for increasing levels of product safety and environmental protection, resulting in more restrictive regulations and legislation. These concerns could also influence public perceptions on the desirability of certain products in the market. As governments continue to propose new regulations relating to chemical safety, the security of chemical plant locations and the transportation of hazardous chemicals could result in increased costs and capital expenditure for the Group.

- Cyber security – A significant failure or interruption in our IT networks and systems could have a detrimental impact on our business. Cyber-attacks could result in disruption of service to our customers or data theft. A failure to appropriately process, store or share information could result in the loss of intellectual property, or the theft of data. We continue to review and invest where appropriate in the development and maintenance of our IT infrastructure, systems and processes and information security. We operate a firewall and antivirus software, monitor any attempted breaches and take action where necessary to ensure our infrastructure remains robust and appropriate. Furthermore during 2023, the Group has recruited a new Group Head of Digital Transformation who is working to ensure the appropriate level of IT controls and cyber security across all Group entities.

- Raw material availability and supply chain disruption – operating within a Global supply chain, we have a reliance on our supply chain partners to manufacture and deliver to our production requirements. We continually monitor and have dialogue with these partners, seek out stable long term supply agreements and approve multiple supply partners where possible.

- Exposure to foreign exchange movements – as a global business operating across many countries and many currencies, Tato is exposed to foreign exchange rate risk. The Group operates a general policy of not hedging and prefers to take the positive and negative impact of exchange movements as they occur. However, where the Group has specific market positions or exposures, the local Management teams have the flexibility to hedge on a short term basis. In order to further consolidate our position and validate our non-hedging policy, the Group has undertaken a three month treasury optimisation project during 2023 and produced a Group Treasury policy to guide business behaviour.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

At Tato, we understand the importance of minimising our business impact on the environment, including on our climate. We recognise that climate change poses profound challenges to our business, our stakeholders, and the global community. We are committed to playing our part in the transition to a low-carbon economy while ensuring the long-term resilience and success of our company.

The Group is required to report under the Streamlined Energy and Carbon Reporting (SECR) requirements for its UK operations. The Group fully endorses the principles of the regulations and so has decided to extend them to cover the Group as a whole. The table below therefore outlines the data for the Group and the UK during 2023. The figures for manufacturing and non-manufacturing sites have been separated to provide greater transparency.

	Group 2023	**Group 2023**	**UK 2023**	**Group 2022**	**Group 2022**	**UK 2022**	**Group 2022**	**Group 2022**	**UK**
				Restated			As previously reported		
Scope 1 Emissions									
Gas (tCO_2e) – Manufacturing sites	8,990		1,252	9,756		1,588	8,220		1,588
Gas (tCO_2e) – Non-Manufacturing sites	58			62			62		
		9,048			9,818			8,282	
Travel (tCO_2e)		489	15		519	21		519	21
Scope 2 Emissions									
Electricity (tCO_2e) – Manufacturing sites	17,738		993	19,222		911	6,856		834
Electricity (tCO_2e) – Non-Manufacturing sites	188			198			198		
		17,926			19,420			7,054	
Total Scope 1 & 2 Emissions		**27,463**	**2,260**		**29,757**	**2,520**		**15,855**	**2,443**

Energy Consumption used to calculate above emissions									
Scope 1 Emissions									
Gas (kWh) – Manufacturing sites	42,036,983		6,844,850	45,031,290		8,702,152			
Gas (kWh) – Non-Manufacturing sites	316,362			341,122					
		42,353,345			45,372,412				
Travel (litres diesel)		41,183	830		56,913	2,584			
Travel (litres petrol)		181,479	6,036		170,062	6,494			
Travel (kWh)		45,316	3,051		28,680	907			
Scope 2 Emissions									
Electricity (kWh) – Manufacturing sites	35,615,926		4,414,700	35,452,972		4,315,000			
Electricity (kWh) – Non-Manufacturing sites	915,151			1,021,411					
		36,531,077			36,474,383				

Intensity ratio; tCO_2 (gross Scope 1 + 2) / Intensity Factor									
Energy – Manufacturing sites ($KgCO_2e$ / Shipped production tonne)		**183.8**	**209.8**		**185.0**	**226.4**		**94.6**	**217.7**
Energy – Non-Manufacturing sites ($KgCO_2e$ / Floor area)		**10.9**			**11.8**			**11.8**	
Travel ($KgCO_2e$ / Mile)		**0.23**	**0.23**		**0.28**	**0.34**		**0.28**	**0.34**
Shipped production tonnes used above		148,910	10,773		159,435	11,130			

- **Methodology applied to above figures**

The reported Gas and Electricity and travel data is taken from the Group's internal reporting system. Electricity consumption is on a location-based basis. Travel is based on business miles travelled in company vehicles. The carbon emission factors are taken from the respective Conversion Factors for the country in which the emissions are generated. Previously the UK Government GHG Conversion Factors for Company Reporting were used for all countries. The 2022 figures for the emissions and the intensity ratios have therefore been restated using the revised methodology. The energy consumption is the same for both calculations. This has resulted in higher emissions figures than those previously reported, because of the energy generation methods in each country compared to the UK, e.g. a higher reliance on coal-powered generating than the UK will produce more emissions.

- **Efficiency Measures**

The Group prioritise investments which are designed to improve Health and Safety, or reduce our carbon footprint. In 2023 we continued our investment in solar panels at our Spanish site, with a view to extending the roll out to other sites. During 2023, we also began the roll out of LED lighting across a number of our biggest sites. The group has also committed to ensuring that its fleet of Motor Vehicles will move to PHEV's or full electric where feasible to, within the next 3 years.

Sustainability is becoming an increasing strategic priority for our business and is now influencing both how we develop as a business as well as our product portfolio. The Group has started the process to recruit a Group Head of Sustainability to help marshal and drive this important focus for our business.

For 2023, the Group has produced its first Task Force on Climate-related Financial Disclosures (TCFD) report in line with CRFD requirements. This report represents a significant step forward in our commitment to transparency across sustainability topics, reflecting our dedication to addressing climate-related risks and opportunities.

Climate change, biodiversity and inequality are now having an increased influence in consumer choice and will provide opportunities for us to help our customers satisfy these changing consumer demands.

Climate Related Financial Disclosures

The Group understands the importance of minimising our business impact on the environment, including on our climate. The Group recognises that climate change poses profound challenges to our business, our stakeholders, and the global community and is committed to playing its part in the transition to a low-carbon economy while ensuring the long-term resilience and success of the company. This Task Force on Climate-related Financial Disclosures (TCFD) report, in line with CRFD requirements, represents a significant step forward in the Group's commitment to transparency across sustainability topics, reflecting our dedication to addressing climate-related risks and opportunities.

In 2022, the UK government's Department for Business, Energy & Industrial Strategy released mandatory Climate-related Financial Disclosure (CFD) requirements for companies across the UK. These CFD requirements have been developed and adapted from the Task Force on Climate-related Financial Disclosures (TCFD). As a UK headquartered company with more than 500 employees and a turnover exceeding £500m, Tato Holdings Limited (the Group) falls within scope of the UK CFD.

The CFD has eight disclosure requirements for companies to consider. These broadly cover the same four 'areas' used by the TCFD, including: Governance, Risk Management, Strategy, and Metrics & Targets. Within this section, we provide a summary of how the Group is managing its impact on climate change, and climate change's impact on the business, in alignment with the UK's CFD recommendations.

Governance

The Group recognises that clear governance structures are essential to ensure that climate-related risks and opportunities are managed responsibly and effectively. As sustainability has become increasingly important to stakeholders, the Group is aiming to integrate sustainability and climate matters further into business operations and governance structures.

The Board of Directors has overall accountability and oversight for the management of sustainability and climate-related policies and initiatives and climate change is a regular item on Board meeting agendas. To enhance the Board's oversight of its climate responsibilities and the climate-related risks and opportunities that face the Group, the Board draws on the advice of the Audit and Risk Committee (ARC). The ARC meets twice annually, whereas the Board meets 4 times per year. In future, responsibility for sustainability and climate-related matters will sit with the ESG Committee.

The Group plans to integrate climate-related risk and opportunity monitoring within the responsibility of the Group Audit and Risk Committee. The primary business process for identifying and managing risks and opportunities is within the Enterprise Risk Management cycle. Further details on our processes for managing risk can be found in the 'Risk Management' section.

Climate-related responsibilities are currently shared across our Board of Directors, Group Head of Audit & Risk and Group Compliance Manager. We have plans to recruit an ESG lead in 2024 to further drive implementation of the sustainability strategy, including the management of climate-related risks and opportunities. The Group Compliance Manager is responsible for collecting and assessing data on ESG topics, including climate-related issues (energy consumption, waste, water, and emissions) across each of the subsidiaries. The Group Head of Audit & Risk is responsible for managing the Enterprise Risk Management process, which includes climate risks and opportunities. At the subsidiary level, each Managing Director is accountable to the regional Chief Operating Officer on sustainability including climate-related matters.

Risk Management

Ensuring risks and opportunities are appropriately and systematically managed is an important element of the Group's operations. The Group is currently rolling out an approach to identifying and assessing climate-related risks and opportunities, as part of the Enterprise Risk Management (ERM) framework. To facilitate an improved understanding of the climate-related risks and opportunities, the Group engaged a third-party consultant to complete a risk and opportunity identification exercise and a detailed climate scenario analysis (details of each of these processes can be found in the 'Strategy' section).

The Group also engaged a third-party insurance broker to conduct a risk evaluation and analysis across five of the Group's key manufacturing sites. This comprised of an analysis of physical risk from climate hazards including storms, flooding, and wildfires to assist the Group in identifying key risks including climate-related issues to be planned for as part of our risk protection measures across the business.

The Group's Audit and Risk Committee is the primary committee responsible for assessing risk, inclusive of climate-related risks and opportunities. The Committee works to monitor the key risks facing the Group and assesses the controls used for managing risks. As part of the increasing focus on sustainability within the Group, the Audit and Risk Committee has also supported the Board in ensuring that sustainability is part of the ERM framework. The ERM framework is intended to set a framework across the Group for the identification, management, mitigation and reduction of risks related to both operational and strategic objectives. The ERM process consists of the following stages: Risk identification, Risk Evaluation, Risk Response, Risk Monitoring and Risk Governance. The process is intended to identify events or circumstances which may negatively impact the Group's strategic objectives, assess these in terms of likelihood and magnitude of impact, determine a response strategy, and a monitoring process and ensure there is adequate governance in place. The ERM framework has been designed and agreed by the Board and is currently being rolled out.

As a workstream of the ERM process, climate related risks and opportunities will be assessed at each of the 14 operating units. Through a combination of one-to-one meetings, workshops and focus groups the key risks and opportunities are drawn out from the operating units. These risks and opportunities will be assessed in terms of impact and likelihood using a level of operating unit materiality and then being rolled up to a consolidated set of risks and opportunities, applying a Group level materiality. Factors such as financial, reputational and operational impact on the strategic objectives will be used to assess the risks. These risks are then compared to the Group's risk appetite level to determine any mitigation measures which may be necessary. The Group's risk appetite for climate-related risks has been determined as LOW.

A separate climate risk & opportunities register will be maintained to manage the climate risks & opportunities with significant risks also being reflected in the ERM risk registers.

Local operating unit management teams will re-assess the climate risks/opportunities and their evaluation twice annually, following which they are taken to the Regional Chief Operating Officers for approval. The output from this risk assessment process will be reviewed by the ESG Committee (once formed), twice annually. The Group ERM risk registers are also reviewed by the Audit and Risk Committee twice annually. The respective Board Committees are then responsible for sharing the outputs with the Main Board.

The output will include a detailed risk matrix, tailored by region and owned at a regional level as well as a suite of reports summarising the top risks / opportunities. The ERM framework specifically includes a risk category for ESG, ensuring that climate related risks and opportunities are fully embedded into the Group's ERM framework and decision-making processes.

The Group has contracted third-party consultants to support the development of the ESG strategy to help further integrate the management of ESG and climate-related risks and opportunities into the wider risk management and business strategy framework.

Strategy

The Group understands the importance of fully considering how climate change could impact our business. As a result, the Group undertook an assessment to help improve the understanding of the Group's exposure to physical and transition risks and opportunities. This assessment was comprised of two main steps: climate risk and opportunity identification, and climate scenario analysis.

The climate risk and opportunity identification stage involved creating a longlist of physical and transition climate-related risks and opportunities. Here the Group aligned with the TCFD guidance, identifying potential climate-related risks and opportunities across the categories of policy and legal, technology, market, reputation, acute physical, and chronic physical. Each identified item was given a significance score based on its potential impact and likelihood on a 5x5 matrix. The significance scores of a set of shortlisted risks and opportunities were then reviewed by stakeholders across our business, including the CEO, CFO, Group Compliance Manager, and the Group Financial Manager. This allowed the Group to identify the key physical and transition risks and opportunities to take forward to the scenario analysis stage.

The physical climate scenario analysis was conducted on ten of the Group's most significant sites, including the main manufacturing and blending facilities, in addition to the consideration of ten physical risks and opportunities. The transition scenario analysis was conducted at the organisational level based on ten key transition risks and opportunities. To assess how climate-related risks and opportunities could impact business in the future, the physical and transition assessments utilised climate scenario data. For the physical climate risk assessment, the Intergovernmental Panel on Climate Change's (IPCC) Shared Socioeconomic Pathway (SSP) scenarios were used. The transition risk and opportunity assessment used scenarios from the International Energy Agency's (IEA) World Energy Outlook 2023.

	High Emissions Scenarios		**Low Emissions Scenarios**	
Physical Time horizons: baseline, 2030 and 2050	IPCC SSP5-8.5	A business-as-usual, high emission scenario with no additional climate policies. Demand for energy triples by 2100, dominated by fossil fuels. Current CO2 emissions levels double by 2050, and there are many challenges to mitigation. This scenario is associated with warming expected to be >3.8°C by the end of the century.	IPCC SSP1- 2.6	A scenario aligned to the current commitments set under the Paris Agreement. The world reaches net-zero emissions by the second half of the century with renewables accounting for over half the energy supply by 2050.
Transition Time horizons: 2025, 2030, 2040 and 2050	Stated Policies Scenario (STEPS)	This scenario reflects current policies based on a sector-by-sector and country-by-country assessment of the energy-related policies that are in place as of the end of August 2023, as well as those that are under development.	Net Zero Emissions Scenario (NZE)	This is an ambitious scenario that limits global warming to 1.5°C above pre-industrial levels in 2100. The NZE scenario also meets the key energy-related UN Sustainable Development Goals.

The main climate-related risks and opportunities, as identified through the climate scenario analysis assessment, are summarised below. The risk/opportunity categories are included, alongside a description of their potential impact. The Group's responses to the key climate-related risks and opportunities facing us are explained, although due to the recent completion of the climate scenario analysis, the Group is still in the process of identifying effective responses to several risks and opportunities.

Risk/Opportunity Score	
(dark red)	High Risk
(red)	Moderate Risk
(orange)	Low Risk
(grey)	Limited Risk/Opportunity
(light blue)	Low Opportunity
(blue)	Moderate Opportunity
(dark blue)	High Opportunity

- **Physical Risks**

Items	Risk Categories from SSP5-8.5			Risk Description	Responses
	Baseline	*2030*	*2050*		
Extreme Heat impact on operations	Low	Moderate Increase	Significant Increase	Extreme heat events may impact the health and safety of personnel working on site, possibly resulting in decreased operating efficiency. These events can also lead to an increase in operational costs to maintain appropriate temperature ranges for temperature sensitive areas such as storage facilities and laboratories.	Adjustments will be made to working conditions as required. Air conditioning and ventilation is already provided where appropriate. Rest breaks are afforded as necessary. Solar panels are being rolled out across relevant sites to mitigate any cost impact.
Extreme Cold impact on operations	Low	Minimal Decrease	Moderate Decrease	Extreme cold can increase energy usage as more energy is required to maintain temperature-controlled areas (e.g. storage facilities) and equipment under prolonged cold events. This could result in increased operational expenditures.	A low risk with minimal to moderate increase is not expected to be material. This risk will be monitored but no immediate action is deemed necessary.
Wildfires impact on operations	Limited	Minimal Increase	Moderate Increase	Wildfire events may cause direct damage to sites and nearby access points. In addition, smoke from wildfires may cause health and safety issues for personnel. Financial impacts of wildfires include increased expenditure to replace/repair damaged infrastructure and decreased revenue due to site production shutdown and loss of potential stocks.	The Group has not been impacted by wildfires and notes that the risk is limited. The Group will continue to review the risk and likelihood of wildfires in the vicinity of the main manufacturing sites and will put in place contingency measures as necessary.

The Group also identified and discussed some other physical risks through this exercise which represent a "Low" risk and for which there is no change or minimal change expected in either of the Low Emission or the High Emission scenarios. These are Tropical Cyclones, Water Stress & Drought impact and given the low risk factor, further information is not presented here.

- **Transition Scenario analysis**

The transition scenario analysis provides a qualitative overview of the Group's potential transition risk and opportunities in relation to the Group's current business model and strategy. The results of the transition analysis demonstrate that in a Net Zero scenario, an increasing demand for sustainable alternative products is likely to be the highest risk for the Group. Conversely, in a Net Zero scenario, the Group is well positioned to capitalise on potential opportunities within the chemicals sector with improving operational efficiency and access to new markets associated with climate adaptation presenting the biggest opportunities. A more detailed description of transition risks and opportunities impacting the Group are outlined below.

Items	Risk/Opportunity Categories (based on a Net Zero scenario)			Risk/Opportunity Description	Responses
	2030	2040	2050		
Increasing demand for sustainable alternative products	Limited	Moderate increase	High increase	Demand for lower carbon product offerings that help customers decarbonise is expected to increase, driven by end-user and customer demand, investor preference, and government legislative and market-specific actions in response to climate change risks. Failure to react to these trends and manage the product portfolio and innovation activities accordingly could decrease the competitiveness of products and result in de-selection as a supplier of choice, losing revenue.	Our products help preserve and protect many global brands and will continue to do so. As regulation continues to narrow the chemistry available to our industry, the Group will continue to innovate to deliver solutions to our customers. As a business we will continue our journey of decarbonisation, working across our supply chain and continuing to protect our customers' products and assets through lower carbon offerings.
Increasing carbon pricing	Low	Moderate increase	Moderate increase	Increasing scope of carbon taxes and/or increasing market costs of Cap & Trade pricing could lead to increased operating costs for the Group if included in the mechanism. Increasing carbon prices will also lead to higher indirect costs for the Group as suppliers pass through costs. CBAM could have both effects depending on whether it is extended in the future to apply to the Group products or inputs.	Our commitments to reducing carbon will help to mitigate our exposure to carbon pricing and future environmental taxation across our supply chain.

Increasing cost of logistics	Limited	Low increase	Moderate increase	The Group's global supply chain is exposed to decarbonisation requirements due to national and customer climate targets, regulations, and consumer demand. As third-party logistics providers invest in alternative technologies, for example lower emission fuels or vehicle types, investment costs will likely be passed through to the Group. Modal shift could be a mitigation measure, which depends on the product types and speed to plant or market requirements.	The Group always optimises its transport cost and footprint through planning to ensure the most optimum decisions from both a profitability and a carbon perspective are taken. The Group has moved to using intermodal options in some territories and works with customers to minimise small order sizes.
Improving operational efficiency	Limited	Low increase	Moderate increase	Investment in energy efficiency measures will also improve the Group's resilience to energy price volatility in the long-term, further reducing operating costs.	The Group prioritises investments which deliver a carbon reduction alongside a financial payback, examples of such investments are solar panels, move to LED lighting across UK, Spain & Germany, installation of a new nitrogen generation system and more energy efficient chillers.
Product alignment to the Net Zero transition	Limited	Low increase	Moderate increase	Decarbonisation is driving demand for less resource intensive products, particularly products with lower carbon and water intensity. The opportunity for the Group is to develop alternative chemicals or lower emission precursor ingredients. The Group should focus on the discovery and development of new technologies that enable the transition to a lower carbon economy, aligned with demand in regional markets, across its four product groups.	The Group invests in innovation to ensure we are constantly keeping up with the market. Carbon reduction measures across our assets and our product portfolio are prioritised by the Board to ensure we deliver on our carbon commitments and remain competitive.

The Group also identified and discussed some other transition risks and opportunities through this exercise which represent a “Low” risk and for which there is no change or moderate change expected in either of the Low Emission or the High Emission scenarios. On the risk front, this related mainly to the mandated use of certain input materials or operational processes and Reputation risk associated with climate inaction, whilst on the opportunities side, the implementation of renewable technologies, Reputation benefits from net zero transition alignment and access to new markets associated with climate adaptation are seen as being a low level opportunity with little expected change.

- **The Impact of Climate-Related Risks and Opportunities on the Group's Strategy**

Recognising the potential impacts that climate-related issues can have on the business, the Group currently has several local climate-related strategies in place that aim to reduce our impact on the local environment and reduce costs. The local strategies encompass a number of capex related projects and other initiatives, amongst which are water consumption reduction and solar PV initiatives. The Group has ambitions to build on these initiatives going forward to continue integrating the management of climate-related risks and opportunities into our wider business strategy.

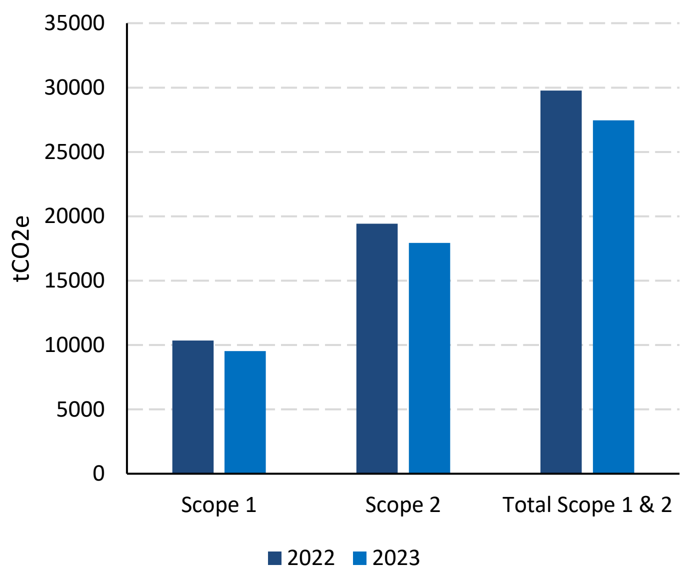
Climate change has become an important area of focus at the Group. The Group's business resilience to climate change is still evolving, however it is the Group's expectation that it will develop quickly as it continues to develop climate-related processes. The Group has made progress in 2023, conducting a scenario analysis exercise that helped identify, highlight, and assess potential risks and opportunities across different climate scenarios. This is a key first step, and the Group plans to renew the climate scenario analysis every three years to ensure that it remains up to date, however, the Group recognises that further steps will be necessary to improve resilience. Therefore, the Group aims to improve the integration of climate change considerations into the business model, strategy, and financial planning.

Metrics and targets

The Group recognises the importance of monitoring and measuring our progress against key metrics and targets relating to greenhouse gas (GHG) emissions, energy, and waste. The Group collects climate-related metrics monthly from each of the subsidiaries using a centralised digital platform. These climate-related metrics include energy usage (gas and electricity), waste, product stewardship, and company car usage (inclusive of fuel type and business mileage). The collection of this data also allows the Group to monitor progress against climate-related targets.

- **Energy & GHG emissions**

The Group collects monthly data on energy consumption from the 14 subsidiaries. Additionally, in 2023 the Group collected annual data on purchased electrical energy from renewable sources and renewable energy consumed from all sources (kWh) from each subsidiary.



The Group reports on Scope 1 and 2 emissions across the Group in line with the Streamlined Energy and Carbon Reporting (SECR) requirements in the UK. For annual reporting we use the globally recognised Novata Carbon Navigator with its country specific conversion factors for company reporting of Scope 1 and 2 emissions.

The Group also reports various emissions intensities including shipped production tonnes (KgCO2e / Shipped production tonnes) for manufacturing sites, floor area (KgCO2e / Floor area) for non-manufacturing sites, and travel (KgCO2e / Mile). The Group has ambitions to report on Scope 3 emissions in the near future.

- **Waste**

In 2023, the Group's annual data gathering process collected data on waste produced from each subsidiary. Specifically, metrics include hazardous, non-hazardous, and total waste produced.

- **Water**

  The Group understands the importance to the planet of managing water resources. The Group operates in some regions which are at risk from potential drought and water stress, such as the sites in Brazil, Spain and Malaysia and are prioritising measures to mitigate these risks. The Group recycles water where possible: Thor Germany recycles 77% (2600 tonnes) of its rinsing water back into its production process, whilst Thor Spain uses recycled water to manufacture products with a high salt content and much of the reactor and pipe cleaning water is also used to manufacture product. The Group will continue to improve reporting on water-related metrics during 2024 in line with the monthly reporting process across each of our subsidiaries. Part of the 2023 annual data collection included measuring total water consumption and total wastewater.

BOARD OF DIRECTORS

Kevin Howes resigned as a Non-Executive Director in June 2023 and was replaced by Albert Sanders-Champney.

AUDIT and RISK COMMITTEE

The Audit and Risk Committee, consisting of David Hewitt, Simon Pearson, Ian Lobley and Philip McDonald, met twice during the year to provide additional rigour to the Group's reporting procedures.

The purpose of the committee is to oversee the financial reporting process and monitor the integrity of the Group's financial statements. It ensures the appropriateness of the accounting policies and any changes to these and advises the Board on whether the Annual Report preparation process is balanced and understandable and provides the required information for stakeholders to assess the Group's position and performance.

The Audit and Risk Committee also has responsibility for reviewing the Group's risk management systems.

A new Group Head of Audit and Risk was appointed during the year.

SECTION 172(1) STATEMENT

The Board of Directors is fully aware of its roles and responsibilities within the organisation and must always act in ways that add sustainable long-term value to our business for the benefit of all our stakeholders. The principal responsibilities of the Board is to lead the Group's strategic purpose from Commercial, Financial, Technological and Sustainable perspectives and ensure that the Group's culture is fully aligned with these.

It monitors the Group's performance in delivering its strategy, ensuring that the required resources are in place for the Group to meet its objectives, analyse the trends and assess the opportunities and risks that they may present. The Board has established a framework of prudent controls that enable these risks to be managed and engage with all stakeholders to ensure that its views and concerns are considered.

This will be achieved by carrying out a rolling agenda which will cover both past performance and thinking for the future and will be reviewed against several specific KPI's that are not just linked to financial performance such as sales, profit, and working capital ratios but are correlated with our strategic vision that includes environmental, community impact and governance aspects.

This process will be carried out by validation and engagement with all of the key drivers within our business model; customers, employees, shareholders, suppliers, investment decisions, CSR Policy and corporate governance.

The Group has a Code of Conduct which was rolled out in 2022 and this aims to ensure that our values of Trust, Honesty, Optimism, Respect are widely communicated across the Group. The Code provides guidance on the standards of integrity and ethics expected by us to better enable the future development of our business. The Group also operates a Whistleblowing line, which is monitored by the Group Compliance Manager and any necessary actions are taken.

The Board has appointed a sub-committee to bring a strong focus to ethics and compliance. The Ethics Committee meets three times per year and is made up of the Group CEO, Group CFO, Group COO EMEA and the Group Compliance Manager.

As expectations continue to increase about the role of business in society it is important that the Board hears first hand from stakeholders about their perceptions of our performance and the opportunities and challenges that lie ahead:

- regular updates are provided to our major shareholder base through their attendance at Main Board meetings with discussions focused on strategic planning, sustainability and corporate governance. This will continue throughout the coming year with additional emphasis placed on the environment, climate change and community impact. This enables a flow of communication in both directions so that the shareholders are able to express their wishes for the Group and the Board can explain the strategy to achieve these wishes having regard to other stakeholders.
- There are two non-executive Directors appointed to the Board to provide additional oversight and expertise as the Group looks to continue its Global expansion plans.
- The Board creates excellent workplace environments to encourage staff retention and loyalty, this is borne out by low staff turnover and a high number of long serving employees.

During 2023, Management implemented the first Employee Engagement Survey (EES). All employees were asked to provide their feedback on a range of topics, ranging from working conditions, to communication, to peer feedback, to employee safety, to pay and finally diversity and inclusion. The response rate was high at 75% allowing Management to gain a real perspective into what our employees thought. The result of this EES has been the publication and implementation of an action plan based around seven key themes which came across in the employee responses. In addition to the Group action plan, each site produced their own local action plan to address any issues highlighted which were more local in nature.

The Board believes that a close working relationship with our employee groups and our partners is key to the continued success of the Group and a cornerstone of our business model. Whilst 2023 proved to be another challenging year, the Group have emerged from it stronger than ever, thanks to our robust business model and the resilience and commitment of our employees and the long-term partnerships with customers and suppliers alike.

As a result of our 2023 activities the Group will pay €24.4 million in current corporate taxes around the world assisting our host Governments to provide important services to their citizens and to pursue their economic objectives, and our direct economic contribution to the local communities in which we operate was €0.7 million, paid through our policy of donating a target percentage of pre-tax profits to local communities and charitable organisations.

There were no political donations made during the year.

During the year the Company paid out €51,900,000 to its shareholders from its reserves. The Directors considered the impact of this distribution on the Company’s long-term interests and its creditors in making this decision and concluded that the Company’s solvency and interests were not prejudiced in any way given the Company’s available cash and distributable reserves. The Company will continue to review its on-going dividend policy in line with its investment plans and business objectives.

We have learned from the period during the pandemic and understand the flexibility that some element of working from home affords to some families. We continue where possible to facilitate our employees working from home, with regular contact in place with management to ensure employee well-being.

With the backdrop of a very dynamic and changing business environment, the Group has produced cashflow forecasts for full year 2024 and financial plans through to 2028, and with a strong balance sheet and continuing investment in high value growth, capability, employees and sustainability, the Group is well positioned to be resilient and thrive in a new world of complexity.

This report was approved by the board on June 6, 2024 and signed on its behalf by:

D A Hewitt
D A Hewitt (Jun 10, 2024 11:25 GMT+1)

D A Hewitt
Director

DIRECTORS' REPORT

The directors submit their annual report together with the audited financial statements of the Group for the year ended 31 December 2023.

Principal Activities
The Group's principal activity during the year was the manufacture and distribution of speciality chemicals.

Branch Offices
In addition to the subsidiary companies listed in Note 12 the Group also operates out of branch offices in New Zealand, Sweden and Turkey.

Financial Instruments
The Group's activities expose it to a number of financial risks including currency risk, credit risk and liquidity risk. The Group does not use derivative financial instruments for speculative purposes.

Currency risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group does not enter into any derivative instruments to manage this risk.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts shown in the balance sheet are net of allowances for doubtful receivables.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group utilises bank overdrafts and short-term loans when required.

Interest bearing assets are primarily held at fixed rates to ensure certainty of cash flows.

Dividends
Interim dividends of €51,900,000 (*2022: €62,280,000*) were paid during the year.

Events after the end of the reporting period
There are no material post-balance sheet events that need to be reported on.

Future Developments
The directors plan to develop the activities of the Group, taking into account the general economic conditions that are likely to exist in the coming year.

Directors
The directors who held office during the year were as follows:-
D A Hewitt
P Hahn
G De Lucia
Q Zheng
R Baum
D Siroky
P J McDonald

I Lobley – Non-Executive Director
K Howes – Non-Executive Director (Resigned 30.06.2023)
A Sanders-Champney – Non-Executive Director (Appointed 30.06.23)

Qualifying indemnity insurance in relation to the above-named directors is in force.

Research and Development
The Group continues to invest in research and development, both with the objective of cost optimisation and innovation. The research and development team work closely with the manufacturing teams to develop and expand the Group's product range.

Anti-bribery and corruption
It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. Further, we operate and enforce effective systems to counter bribery and corruption.

Going Concern
Based on current financial resources and continuance of recent historic trading patterns, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, therefore they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

The Group has sufficient visibility over its next 12-month cash flows from the date of the audit report to be confident of being able to manage through the crystallisation of any realistic material trading risks allowing us to be assured in our going concern status. The company does not have a requirement to issue a specific viability statement, however the Board have developed an Enterprise Risk Management framework which has been discussed and approved by the Group Audit and Risk Committee. The business will continue to develop its "what if" scenario planning based around the identified risks and subsequent stress testing, but is confident in its ability to weather any storms of the coming 5 year period thanks to its strong debt-free balance sheet, record of cash generation and robust underlying business model. The Group produces a 5 year financial forecast which underpins this confidence.

Customer and Supplier Interests
The long-term ethos of the Group has always been to build strategic partnerships with customers and suppliers as they are viewed as a key building block in operating a sustainable business model. We understand that current global events have made day-to-day operations difficult and complex for many of our smaller customers and suppliers. We will always work with our customers to ensure they have payment terms which are typical of the business environment in which they operate but will always be understanding where additional short term support is required. As customer service is key for the Group, we also regularly hold high levels of strategic inventories to ensure that any supply chain disruption is kept to a minimum for our customer base. During 2023, the levels of inventory held have reduced in order to optimise cash, but still provide our customers with several months' worth of cover. Similarly, with suppliers, we are a good payer and always strive to pay our invoices to terms.

Environmental Responsibilities
The Group is required to report under the Streamlined Energy and Carbon Reporting (SECR) requirements for its UK operations. We fully endorse the principle of the requirements and consequently have extended the scope of the reporting to cover the whole Group. This reporting has been made in the Strategic Report above, alongside the new TCFD report.

Statement as to Disclosure of Information to Auditors
The directors have taken all the necessary steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

As far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

Forvis Mazars LLP (formerly Mazars LLP) have expressed their willingness to continue in office and the Audit and Risk Committee has recommended to the Directors that they be re-appointed as such.

Approved by the board and issued on its behalf.

D A Hewitt
D A Hewitt (Jun 10, 2024 11:25 GMT+1)

D A Hewitt
Director
Date:

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the annual financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit, or loss, of the Group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATO HOLDINGS LIMITED

Opinion

We have audited the financial statements of Tato Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATO HOLDINGS LIMITED (Continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATO HOLDINGS LIMITED (Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the group and the parent company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: UK tax legislation, pensions legislation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATO HOLDINGS LIMITED (Continued)

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Tim Hudson

Tim Hudson (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP (formerly Mazars LLP)

Chartered Accountants and Statutory Auditor

Forvis Mazars LLP, One St Peter's Square, Manchester M2 3DE

Date: 10 June 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2023

Continuing operations	Notes	€'000	2023 €'000	€'000	2022 €'000
Turnover	3		642,380		688,906
Cost of sales			(453,572)		(462,438)
Gross profit			188,808		226,468
Sales & distribution costs		(53,240)		(55,828)	
Administrative expenses		(52,613)		(49,416)	
			(105,853)		(105,244)
Other operating income			224		199
Operating profit	8		83,179		121,423
Interest receivable and similar income	6	5,343		2,176	
Interest payable and similar charges	7	(302)		(147)	
			5,041		2,029
Profit on ordinary activities before taxation			88,220		123,452
Tax on profit on ordinary activities	9		(23,362)		(30,617)
Profit for the year attributable to owners of the parent			64,858		92,835
Other comprehensive income:					
Currency translation differences on foreign operations	8		6,454		4,694
Actuarial losses in the year	20		(2,225)		(1,228)
Total comprehensive income for the year attributable to owners of the parent, net of tax			69,087		96,301

All results were derived from continuing operations.

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 not to present the Company profit or loss. The profit for the Company for the year was €76,413,000 (*2022:* €39,253,000).

The notes 1 to 23 are an integral part of these financial statements

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Notes	€'000	2023 €'000	€'000	2022 €'000
Fixed Assets					
Intangible assets	10		3,453		3,384
Tangible assets	11		283,138		280,483
			286,591		283,867
Current Assets					
Stocks	13	157,011		219,897	
Debtors	14	125,059		125,771	
Cash at bank and in hand		156,933		89,620	
		439,003		435,288	
Creditors					
Amounts falling due within one year	15	(56,191)		(63,422)	
Net Current Assets			382,812		371,866
Total Assets less Current Liabilities			669,403		655,733
Creditors					
Amounts falling due after more than one year	16		(4,000)		(2,103)
Provision for Liabilities and Charges	17		(17,786)		(23,200)
Net Assets			647,617		630,430
Capital and Reserves					
Called up share capital	18		2,942		2,942
Share premium account			8		8
Capital redemption reserve			250		250
Merger relief reserve			30,210		30,210
Profit and loss account			614,207		597,020
Shareholders' Funds			647,617		630,430

The notes 1 to 23 are an integral part of these financial statements

Approved by the board on June 6, 2024.

P J McDonald
Director

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2023

	Notes	€'000	2023 €'000	€'000	2022 €'000
Fixed Assets					
Investments	12		216,925		216,925
Current Assets					
Debtors	14	4,770		5,348	
Cash at bank and in hand		47,459		22,286	
		52,229		27,634	
Creditors					
Amounts falling due within one year	15	(109)		(27)	
Net Current Assets			52,120		27,607
Total Assets less Current Liabilities			269,045		244,532
Capital and Reserves					
Called up share capital	18		2,942		2,942
Share premium account			8		8
Capital redemption reserve			250		250
Profit and loss account			265,845		241,332
Shareholders' Funds			269,045		244,532

The notes 1 to 23 are an integral part of these financial statements

Approved by the board on

P J McDonald
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2023

	Share Capital €'000	Share Premium Account €'000	Capital Redemption Reserve €'000	Merger Reserve €'000	Profit & Loss Account €'000	Total €'000
At 1 January 2022	2,942	8	250	30,210	562,999	596,409
Retained profit for the year	-	-	-	-	92,835	92,835
Other comprehensive income:						
Currency translation differences on foreign operations	-	-	-	-	4,694	4,694
Actuarial losses arising on defined benefit pension schemes	-	-	-	-	(1,228)	(1,228)
Dividends	-	-	-	-	(62,280)	(62,280)
At 31 December 2022	2,942	8	250	30,210	597,020	630,430
Retained profit for the year	-	-	-	-	64,858	64,858
Other comprehensive income:						
Currency translation differences on foreign operations	-	-	-	-	6,454	6,454
Actuarial losses arising on defined benefit pension schemes	-	-	-	-	(2,225)	(2,225)
Dividends	-	-	-	-	(51,900)	(51,900)
At 31 December 2023	2,942	8	250	30,210	614,207	647,617

Reserves

Share premium account – This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

Capital redemption reserve – This reserve represents the nominal value of the shares re-acquired by the Company for capital maintenance purposes.

Merger reserve – This reserve represents the application of merger accounting arising from previous group reorganisations.

Profit and loss account – This reserve represents the cumulative profits and losses recognised.

The notes 1 to 23 are an integral part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2023

	Share Capital €'000	Share Premium Account €'000	Capital Redemption Reserve €'000	Profit & Loss Account €'000	Total €'000
At 1 January 2022	2,942	8	250	264,359	267,559
Retained profit for the year	-	-	-	39,253	39,253
Dividends	-	-	-	(62,280)	(62,280)
At 31 December 2022	2,942	8	250	241,332	244,532
Retained profit for the year	-	-	-	76,413	76,413
Dividends	-	-	-	(51,900)	(51,900)
At 31 December 2023	2,942	8	250	265,845	269,045

Reserves
Share premium account – This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

Capital redemption reserve – This reserve represents the nominal value of the shares re-acquired by the Company for capital maintenance purposes.

Profit and loss account – This reserve represents the cumulative profits and losses recognised.

The notes 1 to 23 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2023

	Notes	€'000	2023 €'000	€'000	2022 €'000
Cash flows from operating activities					
Operating profit		83,179		121,423	
Adjustments for:					
Depreciation & impairment of tangible assets		21,079		17,892	
Profit on disposal of tangible assets		(370)		(444)	
Amortisation of intangible assets		1,415		1,284	
Employer contributions to pension liability		(1,251)		(1,131)	
Decrease in other provisions		(4,342)		(5,582)	
Exchange rate losses/(gains)		2,911		(96)	
Operating cash flow before movement in working capital		102,621		133,346	
Decrease/(Increase) in stocks		66,035		(55,505)	
Decrease in debtors		4,011		3,350	
Decrease in creditors		(7,055)		(2,881)	
Interest received		1,760		1,148	
Taxation paid		(27,098)		(33,499)	
Net cash inflow from operating activities			140,274		45,959
Cash flows from investing activities					
Proceeds from sale of tangible assets		622		639	
Payments to acquire tangible assets		(20,408)		(28,959)	
Payments to acquire intangible assets		(1,493)		(566)	
Net cash outflow from investing activities			(21,279)		(28,886)
Cash flows from financing activities					
Dividends paid		(51,900)		(62,280)	
Interest paid		(302)		(147)	
Net cash outflow from financing activities			(52,202)		(62,427)
Net cash increase/(decrease) in cash and cash equivalents			66,793		(45,354)
Cash and cash equivalents at the beginning of the year			89,620		133,070
Foreign exchange rate movement			520		1,904
Cash and cash equivalents at the end of the year	21		156,933		89,620

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

1. Accounting Policies

1.1 General Information

Tato Holdings Limited ('the Company') is a private Company limited by shares and incorporated in the United Kingdom under the Companies Act and registered in England & Wales. The address of its registered office and principal place of business is Wincham Avenue, Wincham, Northwich, Cheshire, CW9 6GB. Tato Holdings Limited is a parent undertaking and therefore these consolidated financial statements present the financial information of the Company and its subsidiary undertakings (together referred to as "the Group").

The principal activity of the Group is that of manufacture and distribution of speciality chemicals.

The financial statements are reported in Euros, this being the functional and reporting currency for the Group. As required by the Registrar of Companies, the sterling exchange rate for the year ended 31 December 2023 is £1: €1.15 (2022*:* £1: €1.17).

All values are rounded to the nearest thousand (€'000), except when otherwise stated.

1.2 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ('FRS 102') and applicable legislation as set out in the Companies Act 2006 and Schedule 1 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following exemptions in preparing these financial statements;

(i) from preparing a statement of cash flows in accordance with Section 7 Cash Flow Statements. This information is provided on a consolidated basis for the Group as a whole;

(ii) from providing the financial instrument disclosures, required under paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29; this information is provided at a Group level in these consolidated financial statements; and

(iii) from disclosing the Company's and the Group's key management personnel compensation, as required by paragraph 33.7.

1.3 Basis of consolidation

The consolidated financial statements incorporate the results of the Company and its subsidiary undertakings for the year ended 31 December 2023. Subsidiaries are included within the consolidation where the Company has control over such entities, thereby having the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The financial statements of subsidiaries that are acquired or disposed of within the financial year are included within, or excluded from, the consolidation from the date that the Company obtains, or loses, control.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. The accounting years of subsidiaries are coterminous with those of the Company. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity.

The details of the subsidiaries within the Group are set out in note 12.

The Company has taken advantage of the exemption conferred by Section 408 of the Companies Act 2006 and, accordingly, a separate profit and loss account has not been presented.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

1. Accounting Policies (Continued)

1.4 Going concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including an assessment of uncertainty on future trading projections for a period of at least twelve months from the date of approval of the financial statements by the directors, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the directors consider that the Group maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations of external debt liabilities.

In addition, the Group's assets are assessed for recoverability on a regular basis, and the directors consider that the Group is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the Group's ability to continue as a going concern. Thus, the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

1.5 Revenue recognition

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for the sale of goods and the rendering of services, net of discounts and other sales-related taxes.

Revenue arises from the sale of manufactured products and from the provision of associated services.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

a) the goods have been despatched;
b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
c) the amount of revenue can be measured reliably;
d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is recognised as interest accrues using the effective interest rate method.

1. Accounting Policies (Continued)

1.6 Taxation

Tax expense for the period comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is also recognised in relation to revaluing certain assets. Income or expenses from a subsidiary, which is recognised in the financial statements will be assessed to or allowed for tax in a future period, except where the reporting entity is able to control the reversal of the timing differences, and it is probable that the timing difference will not reverse in the foreseeable future. In addition, deferred tax is recognised through fair value adjustments arising on business combinations.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.7 Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date the transactions took place. Where this is not possible to determine, income and expense items are translated using an average exchange rate for the period.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non- monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

1. Accounting Policies (Continued)

1.8 Intangible assets

Intangible assets comprise acquired software and product registration costs.

Intangible assets are initially recognised at cost, which is the purchase price plus any directly attributable costs. Subsequently, intangible assets are measured at cost less any accumulated amortisation and impairment losses.

Computer software is recognised as an intangible asset if it is operating as a separate intangible asset rather than part of an item of property, plant and equipment.

Product registration costs capitalised as an intangible asset are those costs incurred to register products with relevant legislative bodies to allow the sale of those products. Only costs generated by third-parties are capitalised. Internally generated registration costs are not capitalised, but are expensed as they are incurred. This policy applies when registration is required for the first time. Fees for ongoing maintenance of product registrations are written off in the year in which they are incurred.

Amortisation is charged on a straight-line basis to administrative expenses in profit or loss over the shorter of the useful life of the asset or the contractual or legal rights arising on acquisition. The useful lives are as follows:

- Product registration costs – the shorter of the registration period or the expected period from which future economic benefits are expected to be generated from sales of the product. There is a rebuttable presumption that this is not expected to exceed 10 years.
- Computer software - 3 to 5 years

Intangible assets are tested for impairment where indication of impairment exists at the reporting date.

1.9 Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

1.10 Tangible assets

Property, plant and equipment are initially recognised at cost which is the purchase price plus any directly attributable costs. Subsequently property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to allocate the cost of an asset, less its estimated residual value, over its estimated useful life using a straight-line basis as follows:

Freehold and leasehold buildings	5 to 50 years
Leasehold improvements	over the period of the lease
Plant, machinery, fixtures and fittings	4 to 15 years
Motor vehicles	4 to 5 years

Freehold land held is deemed to have an unlimited useful life and therefore is not depreciated.

1. Accounting Policies (Continued)

1.11 Impairment of assets

At each reporting date the Group reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to profit or loss in administration expenses.

1.12 Stock

Stock is stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and consists of material and direct labour costs, together with an appropriate proportion of production overheads.

1.13 Leases

Payments made under operating lease arrangements are charged to profit or loss on a straight-line basis over the lease term.

1.14 Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group holds both basic financial instruments, which comprise cash and cash equivalents, trade and other receivables, equity investments, trade and other payables, and loans and borrowings, and other financial instruments. The Group has chosen to apply the provisions of FRS 102 in full in regards to Section 11 *Basic Financial Instruments* and Section 12 *Other Financial Instruments*.

Financial assets – classified as basic financial instruments

(i) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(ii) *Trade and other receivables*

Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the Group assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount

1. Accounting Policies (Continued)

and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

(iii) Equity investments

Equity investments comprise holdings in ordinary equity shares. Equity investments in subsidiary undertakings are initially recognised at fair value, which is the transaction price excluding transaction costs and are subsequently measured at fair value through profit or loss where a reliable fair value can be measured. Where the fair value cannot be measured reliably, the equity instruments are held as cost less impairment.

Financial liabilities – classified as basic financial instruments

(iv) Trade and other payables and loans and borrowings

Trade and other payables and loans and borrowings are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

Equity

Equity instruments are classified in accordance with the substance of the contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Group are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Forward exchange contracts and derivatives

Entities may enter into forward foreign exchange contracts as required by normal operating requirements. Material open contracts at the year-end are recorded at fair value, with any gain or loss recognised immediately in profit or loss.

1.15 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation will be required to be settled, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted when the time value of money is material.

1.16 Retirement benefits

The Group operates defined contribution pension schemes and defined benefit pension schemes. Obligations for contributions to the defined contribution pension schemes are charged to profit or loss in the period to which the contributions relate.

For the defined benefit schemes, the pension costs are assessed using the projected unit of credit method and reviewed annually by independent actuaries. Service costs are charged to profit or loss so as to spread the costs over the service lives of employees. Net interest on the net defined benefit liability (asset) is determined by multiplying the net defined benefit liability (asset) by the discount rate, as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest is charged to profit or loss in the period.

1. Accounting Policies (Continued)

Re-measurements of the net defined benefit liability (asset) are charged through other comprehensive income in the period in which they occur. Re-measurement of the net defined benefit liability recognised in other comprehensive income is not reclassified to profit or loss in a subsequent period. Re-measurements of the net defined benefit liability (asset) comprise actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset).

If the defined benefit plan has been curtailed or settled during the year, the defined benefit obligation is decreased or eliminated, and the Group recognises the resulting gain or loss in profit or loss in the current period.

2. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting judgements

The critical accounting judgements that the directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment to assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

(ii) Assessing whether a defined benefit surplus should be recognised

A defined benefit surplus is only recognised if it meets the following criteria: if the Company has an unconditional right to a refund or expects to be able to realise the surplus through payment holidays; or if the Company can realise it at some point during the life of the scheme or when the scheme liabilities are settled. If the criteria are not met then a defined benefit surplus is not recognised. In addition, the relevant Trust Deed must specify that a surplus may be refunded to the Company. Consideration will also be given to the effect of asset price volatility on any surplus and the prudence of recognising it on the balance sheet.

(iii) Assessing recognition of constructive obligation

The previous actions of a predecessor company have led to a liability to remediate waste products. Although the obligation to remediate the waste was acquired by a third party, the directors have considered the moral obligations and reputation of the Group in deciding to recognise a constructive obligation for the liability.

2. Critical accounting judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(iv) Estimating value in use

Where an indication of impairment exists, the directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

(v) Recoverability of receivables

The Group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, the directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

(vi) Determining residual values and useful economic lives of property, plant and equipment and intangible assets

The Group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the Group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

(vii) Measurement of defined pension scheme obligation

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, assets valuations and the discount rate to be applied. Management estimates these factors in determining the pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

(viii) Recognition of deferred tax asset

Management judgment is required in the recognition of deferred tax assets. Management must assess the probability that the deferred tax assets will be recovered from future taxable profits. The actual results may differ from these estimates due to, among other factors, future changes in business environment, changes in tax legislation, or results from inspections by tax authorities or by courts of law.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

2. Critical accounting judgements and key sources of estimation uncertainty (Continued)

(ix) Provisions for remedial works

The provisions for remedial works relate to ongoing and anticipated potential future work as a result of previous activities. The estimates of costs to completion of any such works are provided by independent experts. By their very nature, these costs are expected to extend for a number of years into the future and are uncertain as to their extent and timing.

3. Turnover

The Group supplies speciality chemicals to customers on a worldwide basis. All turnover is generated from the sale of goods.

In the opinion of the directors the disclosure of the information required by Schedule 1: 68 (5) of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 would be seriously prejudicial to the interests of the Group.

4. Staff Costs

Group	**2023 €’000**	**2022 €’000**
Staff costs were as follows:		
Salaries	99,094	94,418
Social security costs	17,906	17,202
Pension costs	9,845	9,544
	126,845	121,164

The average number of employees during the year was 1,647 (2022: 1,638), of which 108 (2022: 101) are located in the UK, and may be analysed as follows:

Manufacturing	830	849
Administration	817	789
	1,647	1,638

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

5. Directors' Remuneration

Group	**2023 €'000**	**2022 €'000**
Emoluments	3,788	2,768
Contributions to money purchase pension scheme	201	146
	3,989	2,914

The number of directors accruing benefits under pension schemes was as follows:

Money purchase schemes	5	5
	5	5

Included above are the following amounts in respect of the highest paid director:

	€'000	**€'000**
Emoluments	897	863
Contributions to money purchase pension scheme	-	-

Key management personnel are considered to comprise the Group directors.

6. Interest receivable and similar income

Group	**2023 €'000**	**2022 €'000**
Interest receivable	1,829	1,181
Other finance income relating to pension schemes (see note 20)	3,514	995
	5,343	2,176

7. Interest payable and similar charges

Group	**2023 €'000**	**2022 €'000**
On bank loans and overdrafts	302	147
	302	147

8. Operating profit

The operating profit is stated after charging/(crediting):

Group		**2023** €'000	**2022** €'000
Depreciation & impairment of tangible fixed assets		21,079	17,892
Amortisation of intangible fixed assets		1,415	1,284
(Profit) on disposal of tangible fixed assets		(370)	(444)
Auditor's remuneration	- audit services	501	447
	- taxation compliance	51	68
	- other services	84	82
Other auditors of the group	- audit services	134	135
	- taxation compliance	17	17
	- other services	4	18
Operating lease rentals		1,605	1,306
Net exchange rate losses/(gains)		2,911	(96)

The net exchange losses/(gains) above charged to operating profit during the year comprise realised exchange losses/(gains) and unrealised exchange losses/(gains) on retranslation of monetary assets and liabilities at the year-end in accordance with note 1.7. There were no material open forward foreign exchange contracts at the year-end.
Exchange differences through operating profit are impacted by currency translation differences on re-translation of opening assets and liabilities denominated other than in Euros, recognised in other comprehensive income, amounting to €6,454,000 gain (*2022: €*4,694,000 gain).

9. Tax on Profit on Ordinary Activities before Taxation

	€'000	2023 €'000	€'000	2022 €'000
a) Analysis of charge in period				
Current tax				
UK Corporation tax for the period	719		1,438	
Adjustments in respect of previous years	-		(606)	
		719		832
Foreign Tax				
Corporation tax	23,403		28,171	
Adjustments in respect of previous years	1,154		90	
		24,557		28,261
Total current tax		25,276		29,093
Deferred tax				
Origination and reversal of timing differences				
United Kingdom – current year	581		1,015	
United Kingdom – previous years	16		542	
Overseas – current year	(2,511)		(168)	
Overseas – previous years	-		135	
		(1,914)		1,524
Tax on profit on ordinary activities		23,362		30,617

	2023 €'000	2022 €'000
b) Reconciliation and factors affecting tax charge for year		
Profit on ordinary activities before taxation	88,220	123,452
Profit on ordinary activities by standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	20,749	23,456
Expenses not deductible for tax purposes	(320)	25
Research and development tax credits	(302)	(375)
Income not taxable	10	(136)
Losses carried back	-	52
Allowable losses	(291)	(615)
Adjustment to tax in respect of prior years	1,170	161
Adjustment to tax in respect of foreign tax rates	2,179	8,731
Other reconciling differences	167	(682)
Tax on profit on ordinary activities	23,362	30,617

9. Tax on Profit on Ordinary Activities before Taxation (Continued)

c) Tax rate changes

The standard rate of tax applied to reported profit on ordinary activities is 23.52% (2022: 19%). An increase in UK corporation tax rate to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Group's future tax charge. The impact on the closing deferred tax balance at the balance sheet date, in respect of balances greater than 12 months, is to increase the deferred tax balance accordingly. The Directors are satisfied as to the recoverability of the recognised deferred tax assets at 31 December 2023 based on their assessment of the levels of future forecast profitability, as approved by the Board of Directors.

10. Intangible Fixed Assets

	Computer Software €'000	Product Registration €'000	Total €'000
Cost			
At 1 January 2023	9,068	-	9,068
Exchange rate differences	(66)	-	(66)
Additions	1,213	280	1,493
Disposals	(105)	-	(105)
At 31 December 2023	10,110	280	10,390
Accumulated amortisation and impairment			
At 1 January 2023	5,684	-	5,684
Exchange rate differences	(57)	-	(57)
Charge for the year	1,370	45	1,415
Disposals	(105)	-	(105)
At 31 December 2023	6,892	45	6,937
Carrying amounts			
At 31 December 2023	3,218	235	3,453
At 31 December 2022	3,384	-	3,384

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11. Tangible Fixed Assets

	Assets in the course of construction €'000	Freehold & leasehold land and buildings €'000	Plant machinery fixtures & fittings €'000	Motor Vehicles €'000	Total €'000
Cost					
At 1 January 2023	51,932	287,328	156,936	6,465	502,661
Exchange rate differences	1,072	3,783	4,123	15	8,993
Transfers between categories	(1,553)	8,007	(6,454)	-	-
Additions	9,528	2,803	5,282	1,646	19,259
Disposals	(73)	(6)	(1,056)	(1,154)	(2,289)
At 31 December 2023	60,906	301,915	158,831	6,972	528,624
Accumulated depreciation and impairment					
At 1 January 2023	-	118,558	100,003	3,617	222,178
Exchange rate differences	-	1,337	2,921	8	4,266
Transfers between categories	-	-	-	-	-
Charge for the year	-	9,386	8,441	1,109	18,936
Disposals	-	(2)	(1,001)	(1,034)	(2,037)
Impairment charge	981	597	565	-	2,143
At 31 December 2023	981	129,876	110,929	3,700	245,486
Carrying amounts					
At 31 December 2023	59,925	172,039	47,902	3,272	283,138
At 31 December 2022	51,932	168,770	56,933	2,848	280,483

The impairment charge relates to certain manufacturing facilities in France and Mexico.

12. Fixed Assets – Investments

	Company €'000
Investment in group undertakings at cost	
At 1 January and 31 December 2023	216,925

The Group's subsidiary undertakings are as follows:-

Subsidiary	Country of Incorporation and Registered Office
Thor Specialties Inc	251 Little Falls Drive, Wilmington, DE 19808, United States of America
Thor Brasil Ltda	Alameda Caiapos 861, Tambore, Sao Paulo SP, Brazil
Thor Specialities (UK) Ltd	Wincham Avenue, Wincham, Northwich, Cheshire, CW9 6GB, Great Britain
Thor Chemicals India Private Limited	Fairmount CHS Ltd, Office No.1702 & 1703, Plot Number 4,5&6, Sector Number 17, Sanpada, Navi Mumbai Dist. Thane-400705 India
Thor SARL	325 Rue des Balmes, ZIP, 38150 Salaise sur Sanne, France
Thor GmbH	Landwehrstrasse 1, 67346 Speyer, Germany
Thor Specialties SRL	Via del Pontaccio 2, 21020 Casale Litta (VA), Italy
Thor Specialties (Pty) Limited	67 Newton Road, Wetherill Park, NSW 2164, Australia
Thor Especialidades SA	Poligono Industrial El Pla, Avda. de la Industria 1, 08297 Castellgali, Barcelona, Spain
Thor Japan Limited	3255 Fukaimizugaike-cho,Naka-ku, Sakai Osaka 599-8237, Japan
Thor Specialties SdnBhd	No.9 Jalan 1/114, Kuchai Business Centre, Off Jalan Kuchai Lama, Kuala Lumpur, Malaysia
Thor Group Limited	Bramling House, Bramling, Canterbury, Kent, CT3 1NB, Great Britain
Acti-Chem SA (Pty) Limited	6 Barham Road, Block C, Surry Park, Westville 3630, RSA
Thor Quimicos de Mexico SA de CV	Autopista Mexico-Queretaro Km 182 S/N, Pedro Escobedo, Queretaro 76700, Mexico
Servicios a la Industria Quimica SA de CV	Autopista Mexico-Queretaro Km 182 S/N, Pedro Escobedo, Queretaro 76700, Mexico
Thor Specialty Chemical (Zhenjiang) Co. Limited	No.182 Jingang Avenue, New District, Zhenjiang, Jiangsu 212132, PRC

All subsidiary undertakings are 100% owned by Tato Holdings Limited except for Thor SARL, which is held 98% by Tato Holdings Limited and 2% by Thor Group Limited, and Thor Chemicals India Private Limited, which is held 99% by Thor Specialities (UK) Limited and 1% by Tato Holdings Limited. All investments related to holdings of ordinary shares.

The principal group undertakings are involved in the manufacture and distribution of speciality chemicals.

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YEAR ENDED 31 DECEMBER 2023

13. Stocks

	Group 2023 €'000	Group 2022 €'000
Raw materials and consumables	81,699	101,030
Finished goods and goods for resale	75,312	118,867
	157,011	219,897

The replacement cost of stocks is not materially different from the value included in the financial statements. During the year €1,371,000 stock impairment losses were recognised (*2022: €*800,000 *released*). The total cost of stock recognised as an expense in the year was €351,540,000 (*2022: €*366,487,000).

14. Debtors

	Group 2023 €'000	Company 2023 €'000	Group 2022 €'000	Company 2022 €'000
Trade debtors	105,493	-	106,199	-
Amounts owed by group undertakings	-	4,682	-	2,710
Other debtors	4,558	88	8,758	2,638
Prepayments and accrued income	2,920	-	2,293	-
Taxation recoverable	6,731	-	3,643	-
Deferred tax	5,357	-	4,878	-
	125,059	4,770	125,771	5,348

Within the deferred tax asset above, €nil (*2022: €nil*) represents previous tax losses that are expected to be recoverable in the future and €830,000 (*2022: €*1,761,000) relates to the pension scheme deficit. The remaining balance represents other timing differences.

15. Creditors - Amounts falling due within one year

	Group 2023 €'000	Company 2023 €'000	Group 2022 €'000	Company 2022 €'000
Amounts falling due within one year:				
Trade creditors	33,178	-	33,425	-
Amounts owed to group undertakings	-	-	-	-
Corporation tax	1,437	88	1,394	-
Taxation and social security	5,943	-	6,565	-
Other creditors	3,701	-	7,983	-
Accruals and deferred income	11,932	21	14,055	27
	56,191	109	63,422	27

16. Creditors - Amounts falling due after more than one year

	Group 2023 €'000	Company 2023 €'000	Group 2022 €'000	Company 2022 €'000
Amounts falling due after more than one year:				
Other creditors	4,000	-	2,103	-

17. Provision for Liabilities and Charges

Group	Pension Liability €'000	Deferred Tax €'000	Remedial Work €'000	Other €'000	Total €'000
At 1 January 2023	5,869	11,296	5,837	198	23,200
Exchange difference	-	182	(190)	5	(3)
Charged/(credited) to profit or loss	38	(1,375)	-	1,105	(232)
Transfer from creditors	-	-	-	2,302	2,302
Credited to other comprehensive income	(1,888)	-	-	-	(1,888)
Utilisation	(1,251)	-	(4,145)	(197)	(5,593)
At 31 December 2023	2,768	10,103	1,502	3,413	17,786

The deferred tax provision represents the full potential liability arising from accelerated capital allowances.

The remedial work provision relates to the estimated costs of ongoing and anticipated potential future remedial works in South Africa as a result of past activities of predecessor entities. It is expected that these costs will be incurred over the next year.

The other provision relates to similar costs for separate remedial works which are expected to be incurred over the next two years, long term service awards and an unresolved tax liability.

18. Share Capital

Company	€'000
Authorised:	
At 1 January 2023 and 31 December 2023	
12,500,000 shares of 20 pence each	3,542
Allotted and fully paid:	
At 1 January 2023 and 31 December 2023	
10,380,026 shares of 20 pence each	2,942

The ordinary shares of the company carry no right to fixed income and one voting right per share.

19. Operating Lease Commitments

	Group 2023 €'000	Group 2022 €'000
The Group had total operating lease commitments to pay in respect of operating leases which expire:		
Within one year	1,780	1,205
Within two and five years	4,467	1,099
After more than five years	4,239	7
	10,486	2,311

20. Pensions

The Group operates retirement plans worldwide. Until 1 April 1996 the United Kingdom companies' plan was a defined benefit scheme. Thor GmbH also operates a defined benefit scheme, but otherwise all other group company schemes are defined contribution schemes.

a) Defined Benefit Schemes

(i) UK Companies

Until 1 April 1996 the Thor Specialities (UK) Limited contributory pension scheme was a defined benefit scheme and it was funded externally. The contribution rates over the remaining lives of the members of the scheme were made in accordance with actuarial advice. The scheme was established on 18 December 1988 and its last actuarial valuation was undertaken on 5 April 2022. The valuation at that date calculated that the market value of the assets of the scheme totalled €15,557,000, which reflected a level of funding of 173% of actuarial liabilities.

With effect from 1 April 1996, the defined benefit scheme has been frozen. From that date a defined contribution scheme has been in place.

The major assumptions used by the actuary in valuing the defined benefit element of the scheme were:

	As At 31/12/2023	As At 31/12/2022
Rate of increase in pensions in payment	3.40%	3.60%
Discount rate	4.30%	4.80%
Inflation assumption	3.40%	3.60%

The assumptions relating to mortality rates underlying the pension scheme liabilities at the balance sheet date are based on the S3PA tables with improvement factor applied in accordance with the CMI 2022 model using a 1% improvement rate.

20. Pensions (continued)

Amounts recognised in the balance sheet

	Value as at 31/12/2023 €'000	Value as at 31/12/2022 €'000
Fair value of scheme assets	66,063	78,361
Present value of scheme liabilities	(6,130)	(6,041)
Surplus in scheme	59,933	72,320
Surplus not payable to company	(59,993)	(72,320)
Net pension surplus/(liability)	-	-

Reconciliation of the present value of defined benefit obligation

	2023 €'000	2022 €'000
Opening balance of scheme liabilities	6,041	9,323
Interest cost	286	165
Actuarial losses/(gains)	122	(2,636)
Foreign exchange losses/(gains)differences	145	(501)
Benefits paid	(464)	(310)
Closing balance of scheme liabilities	6,130	6,041

Reconciliation of the fair value of scheme assets

	2023 €'000	2022 €'000
Opening balance of scheme assets	78,361	77,900
Interest on assets	3,838	1,398
Actuarial (losses)/gains	(17,544)	3,553
Foreign exchange gains/(losses)	1,872	(4,180)
Benefits paid	(464)	(310)
Closing balance of scheme assets	66,063	78,361

20. Pensions (continued)

	Value as at 31/12/2023 €'000	Value as at 31/12/2022 €'000
Equities	54,387	75,345
Other	11,676	3,016
	66,063	78,361

The pension scheme assets include ordinary shares issued by Tato Holdings Limited with a fair value of €51,429,000 (*2022: €*66,516,000). The pension scheme assets do not include any property occupied by, or other assets used by, the Group.

The actual return on scheme assets in the year was €13,138,000 (*2022: €*5,003,000).

The Group expects to contribute €nil to its defined benefit pension scheme in the next financial year.

Analysis of total credit recognised in profit before tax

	2023 €'000	2022 €'000
Interest credit	(3,552)	(1,233)
Total credit	(3,552)	(1,233)

The total credit is recognised in Interest Payable and similar charges in the Consolidated Statement of Comprehensive Income.

Analysis of total amount recognised in other comprehensive income

	2023 €'000	2022 €'000
Actuarial (losses)/gains	(17,666)	6,189
Foreign exchange difference on opening unrecognised surplus	1,732	(3,724)
Change in unrecognised surplus	12,387	(3,743)
Loss recognised in other comprehensive income	(3,547)	(1,278)

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20. Pensions (continued)

(ii) Overseas companies

Thor GmbH operates a defined benefit pension scheme for some of its employees as well as a defined contribution scheme for other employees. The last full actuarial valuation of the defined benefit scheme was carried out at 31 December 2022 by a qualified independent actuary.

The major assumptions used by the actuary in valuing the defined benefit scheme were:

	As at 31/12/2023	**As at 31/12/2022**
Rate of increase in salaries	0.00%	0.00%
Rate of increase in pensions in payment	0.80%	0.80%
Discount rate	4.00%	2.00%

The assumptions relating to mortality rates underlying the pension scheme liabilities at the balance sheet date are based on German 2005 tables.

Amounts recognised in the balance sheet

	Value as at 31/12/2023 €'000	**Value as at 31/12/2022 €'000**
Fair value of scheme assets	7,600	7,084
Present value of scheme liabilities	(10,368)	(12,953)
Deficit in the scheme	(2,768)	(5,869)
Related deferred tax asset	830	1,761
Net pension liability	(1,938)	(4,108)

The gross deficit is recognised in the consolidated balance sheet in Provision for Liabilities and Charges, and the deferred tax asset is included in Debtors.

Reconciliation of the present value of defined benefit obligation

	2023 €'000	**2022 €'000**
Opening balance of scheme liabilities	12,953	13,584
Interest cost	484	354
Actuarial (gains)/losses	(1,641)	751
Benefits paid	(1,428)	(1,736)
Closing balance of scheme liabilities	10,368	12,953

20. Pensions (continued)

Reconciliation of the fair value of scheme assets

	2023 €'000	2022 €'000
Opening balance of scheme assets	7,084	6,741
Interest on assets	446	126
Actuarial gains	247	822
Contributions by employer	1,251	1,131
Benefits paid	(1,428)	(1,736)
Closing balance of scheme assets	7,600	7,084

	Value as at 31/12/2023 €'000	Value as at 31/12/2022 €'000
Cash	7,600	7,084
	7,600	7,084

The pension scheme assets do not include any property occupied by, or other assets used by, the Group.

The actual return on scheme assets in the year was €nil (*2022: €6,000*).

Analysis of total expense recognised in profit before tax

	2023 €'000	2022 €'000
Interest cost	38	228
Total expense	38	228

The total expense is recognised in Interest Payable and similar charges in the Consolidated Statement of Comprehensive Income.

20. Pensions (continued)

Analysis of total amount recognised in other comprehensive income

	2023 €'000	2022 €'000
Actuarial gains	1,888	71
Deferred tax	(566)	(21)
Losses recognised in other comprehensive income	1,322	50

b) Defined contribution schemes

The group operates a number of defined contribution schemes in various countries. The amounts charged in the profit and loss account for the year amounted to €9,845,000 (*2022: €*9,544,000). The contributions payable at year end amounted to €100,000 (*2022: €*83,000).

21. Analysis of Net Funds

	At 01/01/2023 €'000	Cashflow €'000	Exchange Difference €'000	At 31/12/2023 €'000
Cash at bank	85,952	69,729	707	156,388
Short term deposits	3,668	(2,936)	(187)	545
Total	89,620	66,793	520	156,933

22. Capital Commitments

	2023 €'000	2022 €'000
Capital expenditure authorised or contracted for but not provided for in the financial statements	43,865	37,967

The Group has no other off-balance sheet arrangements.

23. Ultimate Controlling Party and Related Party Transactions

The directors regard Eurotrust to be the ultimate controlling party.

The Company has taken the exemption permitted under Section 33 Related Party Disclosures not to disclose the related party transactions entered into between the company and wholly-owned Group subsidiaries. All transactions and balances between the Company and its subsidiaries have been eliminated on consolidation.

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23. Ultimate Controlling Party and Related Party Transactions (continued)

Related party transactions that occurred in the year include dividends declared and paid to Eurotrust amounting to €32,147,000 (2022: €38,576,000) and to 3i Plc amounting to €13,803,000 (2022: €16,563,000), and Non-Executive Director’s fees and expenses paid to 3i Plc of €64,000 (2022: €58,000) of which €9,000 (2022: nil) was outstanding at the year end.